



Department of Justice

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INTERNATIONAL CHEMICAL COMPANY AGREES TO PLEAD GUILTY TO CRIMINAL ANTITRUST CONSPIRACY

Agrees To Pay \$1.5 Million Fine

WASHINGTON, D.C.-- Degussa U.K. Holdings Ltd., an international chemical producer based in Britain, has agreed to plead guilty and to pay a \$1.5 million fine for its participation in a criminal conspiracy that suppressed competition in the world markets for organic peroxides, the Justice Department announced today.

Organic peroxides are industrial chemicals used in the production of numerous plastics and rubbers and the manufacture of polyvinyl chloride, high and low-density polyethylene, polypropylene, and most polystyrene products such as containers and packaging.

Degussa U.K. Holdings Ltd. was charged in U.S. District Court in San Francisco with one count of conspiring to fix the prices of organic peroxides, specifically t-butyl perbenzoate and t-butyl peracetate, sold in the U.S. and elsewhere from August 1997 until March 1998. Degussa U.K. Holdings Ltd., which is now a subsidiary of German chemical giant Degussa Aktiengesellschaft, operated independently at the time of its criminal offense under the name Laporte plc. Under the terms of the plea agreement, which must be approved by the court, Degussa has agreed to cooperate fully with the ongoing federal investigation of anticompetitive behavior in the organic peroxides industry.

Degussa U.K. Holdings is the second company to agree to plead guilty to participating in this conspiracy. In March 2002, the French chemical company Elf Atochem pleaded guilty and was sentenced to pay a \$3.5 million fine for its involvement in the same conspiracy.

“The filing of this case demonstrates the Antitrust Division’s continuing commitment to prosecute all price fixers that harm American businesses and consumers, regardless of where they are located,” said R. Hewitt Pate, Assistant Attorney General in charge of the Department’s Antitrust Division.

Degussa U.K. Holdings is charged with conspiring, through its officers and employees, to suppress and eliminate competition among organic peroxide providers by:

- Participating in meetings and conversations to discuss the prices of organic peroxides to be sold in the United States and elsewhere;
- Agreeing, during those meetings and conversations, to charge prices at certain levels and otherwise to increase and maintain prices of organic peroxides sold in the United States and elsewhere; and
- Issuing price announcements and price quotations in accordance with the agreements reached.

The charge against Degussa U.K. Holdings was brought under Section 1 of the Sherman Act, which carries a maximum fine of \$10 million for a corporation for violations occurring before June 22, 2004. The maximum fine may be increased to twice the gain the conspirators derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today’s charge stems from a continuing investigation being conducted by the Antitrust Division’s San Francisco Field Office and by the Federal Bureau of Investigation in San Francisco.

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